

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

|  |   |                              |
|--|---|------------------------------|
| <b>IN THE MATTER OF THE APPLICATION</b>    | ) |                              |
| <b>OF INTERMOUNTAIN GAS COMPANY</b>        | ) | <b>CASE NO. INT-G-08-01</b>  |
| <b>FOR AUTHORITY TO CANCEL ITS</b>         | ) |                              |
| <b>EXISTING T-1 AND T-2 TRANSPORTATION</b> | ) | <b>NOTICE OF APPLICATION</b> |
| <b>TARIFFS AND IMPLEMENT A T-5 TARIFF.</b> | ) |                              |
|  | ) | <b>NOTICE OF</b>             |
|  | ) | <b>INTERVENTION DEADLINE</b> |
|  | ) |                              |
|  | ) | <b>ORDER NO. 30562</b>       |

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On May 7, 2008, Intermountain Gas Company filed an Application with the Commission seeking authority to cancel its existing T-1 and T-2 Transportation Tariffs and place into effect an Industrial Transportation Tariff (T-5 Tariff). The Company requests that the Application be processed by Modified Procedure and that the tariff changes become effective July 1, 2008.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company asserts that it is necessary to cancel the T-1 and T-2 tariffs in order to ensure continued compliance with the applicable rules and regulations pertaining to Northwest Pipeline's interstate pipeline system. Northwest's FERC Gas Tariff requires that a shipper have sole title to the natural gas transported on Northwest's system. The shipper must have concurrent title to both the gas molecule as well as the interstate transportation transporting that same gas molecule. Intermountain Gas maintains that there are two fundamental attributes of its T-1 and T-2 tariffs at odds with Northwest's regulation requirement: (1) the Company's T-1 and T-2 tariffs are "bundled" transportation services to include the use, and compensation for, the Company's firm capacity on Northwest's system; and (2) the tariffs require that customers procure their own supply of natural gas from a third-party marketer.

YOU ARE FURTHER NOTIFIED that, concurrent with the elimination of its T-1 and T-2 tariffs, Intermountain Gas intends to offer each T-1 and T-2 customer the opportunity to choose from the menu of remaining unbundled industrial transportation services; specifically those

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services as offered under the Company's T-3 and T4 tariffs, and, if approved by the Commission, the proposed T-5 tariff.

YOU ARE FURTHER NOTIFIED that, in order to help facilitate a customer's option to elect the T-4 tariff, the Company seeks Commission approval to waive the T-4 tariff's Exit Fee provision.

YOU ARE FURTHER NOTIFIED that, according to the Company's Application, T-1 customers have had the option of selecting an unbundled version of the T-1 tariff – it is the T-4 tariff. T-2 tariff customers have had no equivalent unbundled tariff option. Therefore, the proposed T-5 rate schedule is an unbundled version of the Company's T-2 tariff. Intermountain Gas asserts that the T-5 customer's burner-tip price "should be economically equivalent" to that provided under the bundled T-2 service.

YOU ARE FURTHER NOTIFIED that the Company has asked that its Application be processed under Modified Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and other workpapers are also available on the Commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under the "File Room" and then "Gas Cases."

#### **DEADLINE FOR INTERVENTION**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene **no later than 14 days from the service date of this Order**. Persons seeking intervenor status shall also provide the Commission Secretary with an electronic mail address to facilitate further communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued, the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. In addition to the schedule, the parties may discuss discovery logistics, electronic service, and other scheduling matters.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-116, 61-117, 61-129, and 61-307. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **SUSPENSION OF PROPOSED EFFECTIVE DATE**

Due to the limited time between when the Company filed its Application and when it requests that the changes become effective, the Commission finds that it cannot resolve Intermountain Gas Company's requested tariff changes before the proposed effective date of July 1, 2008. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed changes for a period of thirty (30) days plus five (5) months from May 29, 2008, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

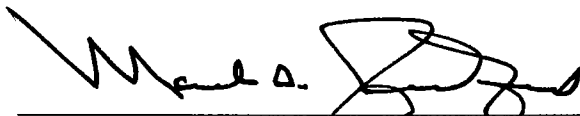
#### **ORDER**

IT IS HEREBY ORDERED that the proposed changes to its transportation tariffs submitted by Intermountain Gas Company in this matter are suspended for a period of thirty (30) days plus five (5) months from May 29, 2008, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that after the Notice of Parties is issued, the Staff shall informally convene with the parties to discuss the processing of this case.

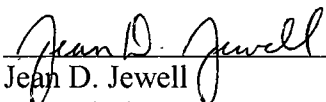
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup> day of May 2008.

  
MACK A REDFORD, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
JIM D. KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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